

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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BILL DRAFT 2009-LAz-24 [v.6] (04/08)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
4/20/2010 11:09:49 AM

Short Title: Expand PUV.

(Public)

Sponsors: Unknown.

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO EXPAND THE EXCEPTIONS TO OWNERSHIP REQUIREMENTS FOR  
AGRICULTURAL LAND UNDER THE PROPERTY TAX PRESENT-USE VALUE  
PROGRAM.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-277.3(b2) reads as rewritten:

**"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

...

(b2) **(Effective for taxes imposed for taxable years beginning on or after July 1, 2008)** Exceptions to Ownership Requirements. – Notwithstanding the provisions of subsections (b) and (b1) of this section, land may qualify for classification in the hands of the new owner if ~~all of the conditions listed in~~ either subdivision of this subsection ~~are~~is met, even if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of this section with respect to the land.

(1) Continued use. – If the land qualifies for classification in the hands of the new owner under the provisions of this subdivision, then any deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the deferred taxes, and the deferred taxes become payable if the land fails to meet any other condition or requirement for classification. Land qualifies for classification in the hands of the new owner if all of the following conditions are met:

- a. The land was appraised at its present use value at the time title to the land passed to the new owner.
- b. The new owner acquires the land and continues to use the land for the purpose for which it was classified under subsection (a) of this section while under previous ownership.
- c. The new owner has timely filed an application as required by G.S. 105-277.4(a) and has certified that the new owner accepts liability for any deferred taxes and intends to continue the present use of the land.

(2) Expansion of existing unit. – Land qualifies for classification in the hands of the new owner ~~if, at~~if one of the following conditions listed in this

subdivision is met. The new owner must timely file an application as required by G.S. 105-277.4(a). The conditions are:

a. At the time title passed to the new owner, the land was not appraised at its present-use value but was being used for the same purpose and was eligible for appraisal at its present-use value as other land already owned by the new owner and classified under subsection (a) of this section.

b. At the time title passed to the new owner, the land was not eligible for appraisal at present-use value, but the new owner owns other land that is classified as agricultural land under subsection (a) of this section and acquires the new land for agricultural use. The recently acquired land loses its present-use value eligibility, if the new owner does not begin using the land as agricultural land within one year from the date of acquisition."

**SECTION 2.** This act becomes effective for taxes imposed for taxable years beginning on or after July 1, 2011, and applies to property acquired on or after January 1, 2010.